

CONTRACT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made this 5th day of May, 2016, in the Territory of the Virgin Islands, by and between the Government of the Virgin Islands, Department of Property and Procurement, on behalf of the Department of Justice (hereinafter referred to as "Government") and Strenk Management Consulting, LLC, a limited liability company organized and existing under the laws of California (hereinafter referred to as "Contractor")

WITNESSETH:

WHEREAS, DOJ desires to obtain the benefit of Contractor's knowledge and experience in connection with its business specifically evaluating illegal pricing/price collusion in the USVI retail gasoline sector;

WHEREAS, the Government is in need of the services of a Contractor to investigate and examine all records related to the purchase and sale of gasoline from vendors to wholesalers and retailers in the Territory of the Virgin Islands which duties and responsibilities are more particularly described in Addendum I (Scope of Work) attached hereto;

WHEREAS, DOJ hereby desires to retain Contractor and Contractor accepts such retention upon the terms and conditions set forth herein; and

WHEREAS, the Contractor represents that it is willing and capable of providing such services and has an expertise in such services;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written instrument, the parties hereto do covenant and agree as follows:

1. SERVICES

Upon the request of DOJ, Contractor shall render consultation, advice, and information concerning the business and operations relating to, among other things, potential price collusion among gasoline retailers in the US Virgin Islands. Specifically, Contractor shall provide assistance to DOJ, as needed in an initial phase of study, phase 1, Scope and Deliverables as detailed in Addendum I. Contractor shall honor all reasonable requests for his services and shall devote his best efforts, skill, and attention to the diligent performance of such duties. Except as designated in Paragraph 3 herein, in rendering his services, Contractor shall be free to arrange his own time, pursuits, and consulting schedule and to determine the specific manner in which the services will be performed. Contractor agrees to use his best efforts to accommodate the scheduling requirements and the work of DOJ.

The Contractor will provide the services described in Addendum I (Scope of Work) attached hereto and made a part of this contract.

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2. TERM

This Contract shall commence upon the execution of this Contract by the Governor of the Virgin Islands and shall terminate 365 days thereafter. This contract may be extended for a period of one year by agreement of the parties.

3. COMPENSATION

The Government, in consideration of the satisfactory performance of the services described in Addendum I (Scope of Work), agrees to pay Contractor a sum not to exceed Sixty Thousand Dollars and no cents, (\$60,000.00) in accordance with the provisions set forth in Addendum II (Compensation) attached hereto and made a part of this contract.

4. TRAVEL EXPENSES

In addition to the compensation for services as specified in Paragraph 3 (Compensation) above, the Government agrees to pay documented transportation, subsistence, lodging and other travel expenses, while in travel status, for trips which have been authorized in writing, in advance, by the Government. These costs shall be advanced or reimbursed on the same basis as is applicable to non-contract employees of the Government, or as agreed to by an addendum to this Contract, however, said costs and expenses shall not exceed Six Thousand Dollars and no cents, (\$6,000.00).

5. RECORDS

The Contractor, when applicable, will present documented, precise records of time and/or money expended under this Contract.

6. PROFESSIONAL STANDARDS

The Contractor agrees to maintain the professional standards applicable to its profession and to Contractors doing business in the United States Virgin Islands.

7. CONFIDENTIALITY, DOCUMENTS, PRINTOUTS, ETC.

All documents, books, records, instructional materials, programs, printouts and memoranda of every description derived from and pertaining to this Contract shall become the property of the Government and shall be turned over to it at the termination of this Contract. The above described materials shall not be used by Contractor or by any other person or entity except upon the written permission of the Government.

Contractor agrees to maintain the confidentiality of all the Government's trade secrets and proprietary information. Contractor acknowledges that, during the course of Mr. Strenk's employment with the Government and in the discharge of Contractor's duties hereunder, Contractor and Mr. Strenk have been and will be entrusted with certain personnel, business, financial, technical, and other information and material which are the property of the Government and which involve "confidential information" of the Government and its employees. Contractor and Mr. Strenk each agree that they will not communicate or disclose (and acknowledges that they have not communicated or disclosed) to any third party, or use (and have not used) for their own account, without written consent of the Government, any of such confidential information or material, except in response to a lawfully issued subpoena, court order, or other lawful request by any regulatory agency or government authority having supervisory authority over the business of the Government. Contractor agrees that if any

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confidential information is requested by subpoena or court, governmental, or regulatory order, it will notify the Government as soon as practicable and if requested by the Government will undertake its best efforts to assist the Government in obtaining a confidentiality order from the court or governmental or regulatory agency requesting such information. The obligations of this paragraph shall survive the expiration or termination of this Agreement. After the Contractual and Consulting Term, Contractor will return to the Government all documents and other materials it has been furnished in connection with the consultancy.

8. LIABILITY OF OTHERS

Nothing in this Contract shall be construed to impose any liability upon the Government to persons, firms, associations, or corporations engaged by Contractor as servants, agents, or independent contractors, or in any other capacity whatsoever, or make Government liable to any such persons, firms associations, or corporations for the acts, omissions, liabilities, obligations and taxes of Contractor of whatsoever nature, including but not limited to unemployment insurance and social security taxes for Contractor, its servants, agents or independent contractors.

9. ASSIGNMENT

The Contractor shall not subcontract or assign any part of the services under this Contract without the prior written consent of the Government.

10. INDEMNIFICATION

To the extent provided by law, DOJ agrees to indemnify and hold Contractor harmless from and against any third party losses, claims, damages, or liabilities arising out of this engagement for which Contractor is not a contributing factor and shall reimburse Contractor for all reasonable expenses (including all reasonable fees of counsel selected by Contractor) as they are incurred in connection with investigating, preparing for, or defending any such action or claim or in connection with pending or threatened litigation in which Contractor is either a party or witness. DOJ will not, however, be responsible for any claims, liabilities, losses, damages or expenses which resulted from the bad faith or gross negligence of Contractor. The foregoing shall be in addition to any rights that Contractor may have at common law or otherwise and shall extend upon the same terms to and inure to the benefit of any director, officer, employee, agent, or controlling person of Contractor.

11. INDEPENDENT CONTRACTOR

The Contractor shall perform this Contract as an independent contractor and nothing herein contained shall be construed to be inconsistent with this relationship or status. Additionally, as an Independent Contractor, Contractor shall not have the power to bind, represent, or speak for Government, unless authorized to do so by the Government in writing. As an independent contractor, the Government will issue an IRS Form 1099 for payments made pursuant to this Agreement, and Contractor will be responsible for paying all federal, state, and local income and social security taxes arising out of any such payments and to indemnify and hold Government

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harmless from any claim or liability therefor. Contractor will provide, if necessary, appropriate workers' and unemployment compensation for himself.

12. GOVERNING LAW

This Contract shall be governed by the laws of the United States Virgin Islands and jurisdiction shall remain in the United States Virgin Islands.

13. WAIVERS AND AMENDMENTS

No waiver, modification or amendment of any term, condition or provision of this Contract shall be valid or of any force or effect unless made in writing, signed by the parties hereto or their duly authorized representatives, and specifying with particularity the nature and extent of such waiver, modification or amendment. Any such waiver, modification or amendment in any instance or instances shall in no event be construed to be a general waiver, modification or amendment of any of the terms, conditions or provisions of this Contract, but the same shall be strictly limited and restricted to the extent and occasion specified in such signed writing or writings.

14. ENTIRE AGREEMENT

This Contract constitutes the entire agreement of the parties relating to the subject matter addressed herein. This Contract supersedes all prior communications, contracts, or agreements between the parties with respect to the subject matter addressed in this Contract, whether written or oral.

15. RIGHT TO WITHHOLD

If work under this Contract is not performed in accordance with the terms hereof, Government will have the right to withhold out of any payment due to Contractor, such sums as Government may deem ample to protect it against loss or to assure payment of claims arising therefrom, and, at its option, Government may apply such sums in such manner as Government may deem proper to secure itself or to satisfy such claims. Government will immediately notify the Contractor in writing in the event that it elects to exercise its right to withhold.

No such withholding or application shall be made by Government if and while Contractor gives satisfactory assurance to Government that such claims will be paid by Contractor or its insurance carrier, if applicable in the event that such contest is not successful.

16. CONDITION PRECEDENT

This Contract shall be subject to the availability and appropriation of funds and to the approval of the Governor.

17. TERMINATION

Either party will have the right to terminate this Contract with or without cause on thirty (30) days' written notice to the other party specifying the date of termination.

18. PARTIAL TERMINATION

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The performance of work under this Contract may be terminated by the Government, in part, whenever the Government shall deem such termination advisable. This partial termination shall be effected by delivering to the Contractor a Notice of Partial Termination specifying the extent to which the term and/or duties under this Contract are terminated and the date upon which such termination becomes effective. The Contractor shall be entitled to receive payment for services provided to the date of termination, including payment for the period of the thirty (30) day notice.

19. NON-DISCRIMINATION

No person shall be excluded from participating in, be denied the proceeds of, or be subject to discrimination in the performance of this Contract on account of race, creed, color, sex, religion, disability or national origin.

20. CONFLICT OF INTEREST

(a) Contractor covenants that it has no interest and will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract.

(b) Contractor further covenants that it is:

(1) not a territorial officer or employee (i.e., the Governor, Lieutenant Governor, member of the Legislature, or any other elected territorial official; or an officer or employee of the legislative, executive or judicial branch of the Government or any agency, board, commission or independent instrumentality of the Government, whether compensated on a salary, fee or contractual basis); or

(2) a territorial officer or employee and, as such, has:

- (i) familiarized itself with the provisions of Title 3, Chapter 37 of the Virgin Islands Code, pertaining to conflicts of interest, including the penalties provision set forth in section 1108 thereof;
- (ii) not made, negotiated or influenced this Contract, in its official capacity;
- (iii) no financial interest in the Contract as that term is defined in section 1101(1) of said Code chapter.

21. EFFECTIVE DATE

The effective date of this Contract shall be the day of execution of the Contract by the Governor.

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22. NOTICE

Any notice required to be given by the Terms of this Contract shall be deemed to have been given when the same is sent by certified mail, postage prepaid or personally delivered, addressed to the parties as follows:

GOVERNMENT

Randolph N. Bennett
Commissioner Designee
Department of Property and Procurement
Sub Base, Building No. 1, Third Floor
St. Thomas, VI 00802

Claude Earl Walker, Esq.
Attorney General Designee
Department of Justice
3438 Kronprindsens Gade
GERS Building, 2nd Floor
St. Thomas, VI 00802

CONTRACTOR

Donald G. Strenk
President
Strenk Management Consulting, LLC,
21 Hermosa
Irvine, CA 92620

23. LICENSURE

The Contractor covenants that it has:

- (a) obtained all of the applicable licenses or permits, permanent, temporary or otherwise as required by Title 27 of the Virgin Islands Code; and
- (b) familiarized itself with the applicable provisions of Title 27 of the Virgin Islands Code pertaining to professions and occupations.

24. OTHER PROVISIONS

Addendum 3 attached hereto containing Paragraphs 25 through N/A is a part of this Contract and is incorporated herein by reference.

25. FALSE CLAIMS

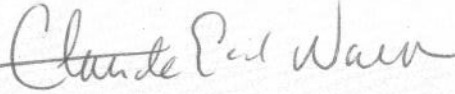
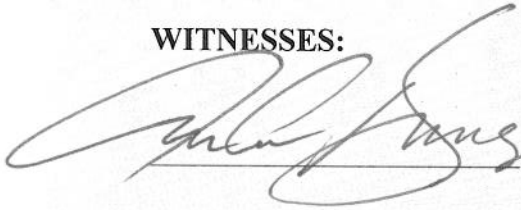
Contractor warrants that it shall not, with respect to this Contract, make or present any claim upon or against the Government of the Virgin Islands, or any officer department, board, commission, or other agency thereof, knowing such claims to be false, fictitious or fraudulent. Contractor acknowledges that making such a false, fictitious or fraudulent claim is an offence under Virgin Islands law.

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IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

WITNESSES:

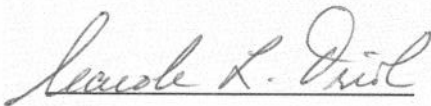
GOVERNMENT OF THE VIRGIN ISLANDS



Claude Earl Walker, Esq.
Attorney General Designee
Department of Justice

04/19/16

Date

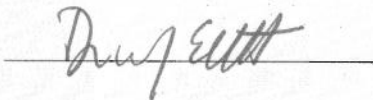


Randolph N. Bennett, Commissioner
Department of Property and Procurement

4/27/16

Date

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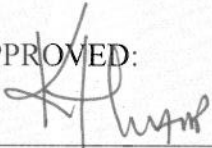


Donald G. Strenk
Strenk Management Consulting, LLC,
(Corporate seal, if Contractor is a corporation)

1/4/2016

Date

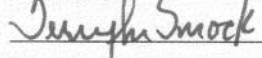
APPROVED:



Honorable Kenneth E. Mapp
GOVERNOR OF THE VIRGIN ISLANDS

Date: 05-05-16

APPROVED AS TO LEGAL SUFFICIENCY

DEPARTMENT OF JUSTICE BY:  Date 4/25/2016

PURCHASE ORDER NO.

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